



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Mechanization of Contract Administration Services (MOCAS) Prevalidation Threshold

In a memorandum dated March 9, 1999, I authorized a temporary \$500,000 threshold on contracts paid by MOCAS. This temporary authorization expires on June 20, 1999.

However, to avoid competing with Y2K planning preparation and testing requirements, and to provide additional time to prepare the systems enhancements needed to better support lowering the threshold, the \$500,000 threshold is extended to January 31, 2000.

I also wish to reemphasize my commitment to full prevalidation and have approved gradually lowering the threshold. On February 1, 2000, the prevalidation dollar threshold will be \$400,000. On April 1, 2000, the threshold will be lowered to \$300,000; on May 1, 2000, lower to \$100,000; and, on July 1, 2000, the threshold will be \$2,500. This timeline will minimize the impacts that Y2K may have but still aggressively reduces the threshold as we improve our systems' capabilities.

Please keep me apprised of the impact that the prevalidation process is having on timeliness of payments.

William J. Lynn